



**U.S. Immigration
and Customs
Enforcement**

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News Release

PRESIDENT AND PART-OWNER OF MASSACHUSETTS COMPANY INDICTED FOR AVOIDING ANTI-DUMPING IMPORT DUTIES

Alleged to have orchestrated scheme in bringing Korean computer memory into U.S.

BOSTON—The president and part owner of Stealth Components, Inc., of New Hampshire, formerly based in Newburyport, Mass., was indicted Thursday in connection with a scheme to avoid paying more than \$385,000 in customs import duties.

United States Attorney Michael J. Sullivan and U.S. Immigration and Customs Enforcement Special Agent-in-Charge Robin M. Avers announced that 33-year-old Bernard Smith, of 28 Winterberry Lane, Stratham, New Hampshire, was charged in a seven-count indictment with Conspiracy and False Statements.

According to the indictment, Stealth Components, Inc. ("Stealth"), is in the business of purchasing electronic components that it imports from overseas countries for resale in the United States. At the time of the alleged offenses, Stealth was located in Newburyport.

It is alleged that from November of 1998 through May of 2000, Smith and others participated in a scheme to defraud U.S. Customs and Border Protection in order to minimize the payment of antidumping duties that Stealth was required to make on imported Korean-made Dynamic Random Access Memory ("DRAM").

In 1993, the U.S. Department of Commerce determined that DRAM imports from certain Korean companies were being sold at less than fair market value. As a result, the U.S. Department of Commerce instructed Customs and Border Protection (then known at the time as the "U.S. Customs Service") to collect antidumping duties on certain Korean DRAM. Thereafter, companies that imported qualifying Korean DRAM were required to deposit antidumping duties with Customs and Border Protection for each shipment at the time of its entry into the United States.

The alleged scheme involved the presentation of false and fraudulent invoices to Customs and Border Protection that undervalued the purchase price and falsely described the Korean DRAM that Stealth imported in order to lessen the cash payment amount for antidumping duties that Stealth was required to make.

According to the indictment, Smith perpetrated this scheme by directing foreign suppliers to prepare fraudulent invoices and other false entry documents that would be presented to Customs and Border Protection at the time of entry for each shipment of DRAM that Stealth imported. Over the course of this scheme, it is alleged that Smith avoided the total payment of over \$385,000 in antidumping duties that Stealth was required to deposit on shipments of Korean DRAMS.

Smith will have an initial appearance before U.S. Magistrate Judge Robert B. Collings at 3:15 p.m. Jan. 25. If convicted, Smith faces a maximum sentence of five years in prison on the Conspiracy charge, and two years in prison on each of the six False Statements charges.

The case was investigated by special agents of U.S. Immigration and Customs Enforcement. It is being prosecuted by Assistant U.S. Attorney Carmen M. Ortiz in Sullivan's Economic Crimes Unit.

The details contained in the indictment are allegations. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

ICE

U.S. Immigration and Customs Enforcement is the largest investigative arm of the Department of Homeland Security.